

holding a power of attorney for a firm and signing as such, after having received advice of the attorney's death.

ANSWER.—Assuming that the cheque or bill had been delivered before the attorney's death, the bank should not refuse payment because of his death.

Non-trading partnership—Liability of partners

QUESTION 322.—To what extent are partners in a non-trading partnership liable to a bank :

1. In respect to an endorsement made by one member of the firm on a note given to them in settlement of an account for services, as for instance to solicitors.

2. Where an endorsement is given for the accommodation of the maker of a note.

ANSWER.—As a non-trading partnership does not *prima facie* require to give promissory notes or accept bills, the making or acceptance by one partner in the name of the firm would not *prima facie* bind the partnership. Evidence of the actual transaction would be admissible, and if it were *de facto* a partnership transaction the firm would be bound. The endorsement of a bill or note payable to the order of a non-trading firm stands in a little different position. There is no *prima facie* presumption that a non-trading firm does not require to take a note or bill in payment or settlement of a debt due the firm, and if the firm's name were endorsed by one partner upon such a bill or note the endorsement would bind the firm if it were given in connection with a partnership transaction, but the firm would not be liable if the transaction were that of the individual partner only, unless *de facto* his authority as a partner extended to such a case. There are so many kinds of non-trading partnerships, that no general rule can be laid down as to what would and what would not be *prima facie* a partnership transaction. Much would depend upon the nature of the business and upon the course of dealing in the past, *e.g.*, if a non-trading firm kept a bank account and were in the habit of discounting bills and notes payable to the order of the firm, there could be no question that for the purposes of the bank the scope of that partnership would authorize one partner to endorse the firm's name on the paper discounted, but if one partner in a non-trading firm which *prima facie* did not require capital to carry on its business and which did not keep a bank account should open such an account and discount paper in the firm's name, and if it should turn out that the whole thing was a fraud on the partnership and that the firm did not authorize the transaction or get the benefit of it, we think the bank would have great difficulty in collecting from the firm upon its endorsement.